7/14/86 SG615-2

OREGON LABOR TRENDS

Prepared by Research and Statistics Section

STATE OF OREGON • EMPLOYMENT DIVISION • DEPARTMENT OF HUMAN RESOURCES

JUNE 1986

MAY INDICATORS

UNEMPLOYMENT RATE

Oregon (Seas. Adj.)

May	1986	9.1
Apr.	1986	9.0
May	1985	8.6

U.S.

May	1986	7.3
Apr.	1986	7.1
May	1985	7.3

WAGE AND SALARY EMPLOYMENT INDEX

Oregon 1977=100

May	1986	112.2
Apr.	1986	111.9
May	1986	111.5
Feb.	1986	111.7
Jan.	1986	111.6

DIFFUSION INDEX

Oregon

May	1986	49.6
Apr.	1986	52.3
May	1986	48.8
Feb.	1986	52.3
Jan.	1986	49.6

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon

Apr.	1986	39.5
Mar	1986	39.2
Apr.	1985	38.3

CONSUMER PRICE INDEX (CPI)

1967=100

ALL URBAN CONSUMERS

Portland MSA

May	1986	314.3
Yearly Change	+	1.4%

U.S.

May	1986	326.3
Yearly Change	+	1.6%

Portland Hotline 221-4132

MONTHLY ECONOMIC ANALYSIS

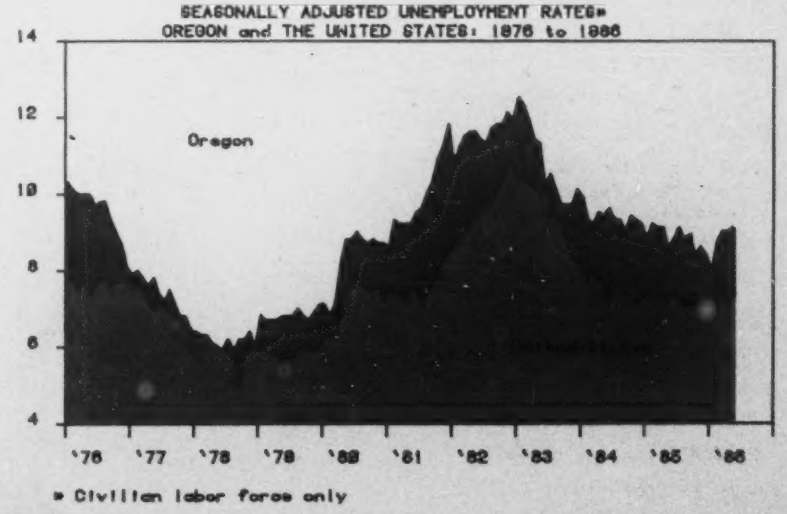
Jason Yohannan

The employment picture in Oregon has borrowed a frame from "Casablanca" and is "playing it again." With a few exceptions to be discussed later, 1986 is shaping up as a sequel of 1985. For the first five months of this year, nonmanufacturing industries continued to grow, manufacturing has muddled along, and the unemployment rate has stubbornly refused to show significant improvement.

In May, the unemployment rate was 9.1 percent, up a tad from the revised April level of 9.0 percent, and in the neighborhood of the May 1985 rate of 8.6 percent. Nonmanufacturing employment increased 9,700 from April and stands well over May 1985 (+22,200). Manufacturing managed 2,900 more jobs for the month, putting it 2,500 above last year's level.

Construction, eating & drinking places, and business services were mostly responsible for the increases in May nonmanufacturing employment, while seasonal gains in wood products and food products nudged up manufacturing totals.

The dichotomy in employment trends between the goods-producing and the service-producing industries in Oregon and the U.S. is a subject now playing in articles everywhere. Nonmanufacturing employment has outperformed manufacturing, and many authors, including some writing for this publication, have expressed concern that a recovery built only on a foundation of more jobs in service-producing industries is just a partial recovery. Three accompanying pie charts diagram this trend.



RESIDENT OREGON LABOR FORCE

	MAY 1986 1/	APR. 1986 2/	CHANGE	% CHANGE	MAY 1985 5/
CIVILIAN LABOR FORCE 3/	1,326,900	1,325,100	1,800	0.1	1,320,700
UNEMPLOYMENT	121,500	126,500	- 5,000	- 4.0	114,100
PERCENT OF LABOR FORCE	9.2	9.5	XXX	XXX	8.6
SEASONALLY ADJUSTED PERCENT	9.1	9.0	XXX	XXX	8.6
TOTAL EMPLOYMENT 4/	1,205,400	1,198,600	6,800	0.6	1,206,600

1/ PRELIMINARY. 2/ REVISED. 3/ INCLUDES EMPLOYED AND UNEMPLOYED INDIVIDUALS 16 YEARS AND OLDER. DATA ARE ADJUSTED FOR MULTIPLE JOB-HOLDING AND COMMUTING. 4/ INCLUDES NONAGRICULTURAL WAGE AND SALARY, SELF-EMPLOYED, UNPAID FAMILY WORKERS, DOMESTICS, FARM WORKERS, AND LABOR DISPUTANTS. 5/ DUE TO REVISED ESTIMATING PROCEDURES BETWEEN DECEMBER 1985 AND JANUARY 1986, DATA FOR 1986 AND THAT OF PREVIOUS YEARS ARE NOT STRICTLY COMPARABLE.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
(BY PLACE OF WORK)

INDUSTRY	MAY 1986 1/	APR. 1986 2/	MAY 1985	CHANGE FROM APR. 1986	CHANGE FROM MAY 1985
TOTAL 3/	1,053,300	1,040,700	1,028,600	12,600	24,700
WAGE & SALARY EMPLOYMENT INDEX 4/	112.2	111.9	109.6	XXX	XXX
DIFFUSION INDEX 5/	49.6	52.3	52.7	XXX	XXX
TOTAL MANUFACTURING	197,700	194,800	195,200	2,900	2,500
DURABLE GOODS	146,900	144,800	144,100	2,100	2,800
LUMBER & WOOD PRODUCTS	65,200	65,700	62,700	1,500	2,500
LOGGING & SAWMILLS	34,100	33,200	32,800	900	1,300
VENEER & PLYWOOD	17,100	16,800	15,900	300	1,200
MILLWORK & STRUCTURAL WOOD	8,700	8,600	8,700	100	0
MOBILE HOMES	1,600	1,500	1,500	100	100
OTHER WOOD PRODUCTS	3,700	3,600	3,800	100	- 100
FURNITURE AND FIXTURES	2,700	2,800	2,700	- 100	0
STONE, CLAY, GLASS & CONCRETE	2,900	2,800	3,000	100	- 100
PRIMARY METALS	8,600	8,600	8,900	0	- 300
BLAST FURNACES, IRON & STEEL	5,500	5,500	5,500	0	0
NONFERROUS METALS	3,100	3,100	3,400	0	- 300
FABRICATED METALS	11,500	11,500	10,700	0	800
FABRICATED STRUCTURAL METALS	5,800	5,900	5,100	- 100	700
OTHER FABRICATED METALS	5,700	5,600	5,600	100	100
MACHINERY	15,000	15,100	15,600	- 100	- 600
ELECTRICAL EQUIPMENT & SUPPLIES	12,900	12,900	14,200	0	- 1,300
TRANSPORTATION EQUIPMENT	11,800	10,900	9,300	900	2,500
INSTRUMENTS & RELATED PRODUCTS	13,700	13,900	14,600	- 200	- 900
MISCELLANEOUS MANUFACTURING	2,600	2,600	2,400	0	200
NONDURABLE GOODS	50,800	50,000	51,100	800	- 300
FOOD & KINDRED PRODUCTS	20,400	19,300	20,600	1,100	- 200
CANNING & PRESERVING	10,100	9,200	10,100	900	0
OTHER FOOD PRODUCTS	10,300	10,100	10,500	200	- 200
TEXTILE MILL PRODUCTS	1,600	1,600	1,700	0	- 100
APPAREL	2,200	2,300	2,400	- 100	- 200
PAPER & ALLIED PRODUCTS	9,000	9,000	9,300	0	- 300
PRINTING & PUBLISHING	11,600	11,600	11,400	0	200
CHEMICALS & ALLIED PRODUCTS	1,900	2,000	1,900	- 100	0
PETROLEUM REFINING	400	400	300	0	100
RUBBER & PLASTIC PRODUCTS	3,100	3,200	3,000	- 100	100
LEATHER PRODUCTS	600	600	500	0	100

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
(BY PLACE OF WORK)

INDUSTRY	MAY 1986	APR. 1986	MAY 1985	CHANGE FROM APR. 1986	CHANGE FROM MAY 1985
(CONT.)					
TOTAL NONMANUFACTURING	855,600	845,900	833,400	9,700	22,200
MINING & QUARRYING	1,700	1,600	1,600	100	100
CONSTRUCTION	32,400	30,500	32,200	1,900	200
TRANSPORTATION, COMMUNICATIONS, & UTILITIES	58,000	58,100	57,400	- 100	600
TRANSPORTATION	36,300	36,600	35,500	- 300	800
RAILROAD	4,700	4,700	5,200	0	- 500
TRUCKING & WAREHOUSING	20,400	20,700	19,200	- 300	1,200
OTHER TRANSPORTATION	11,200	11,200	11,100	0	100
COMMUNICATIONS	13,200	13,000	13,300	200	- 100
UTILITIES	8,500	8,500	8,600	0	- 100
TRADE	262,300	259,800	257,100	2,500	5,200
WHOLESALE TRADE	66,400	67,200	65,300	- 800	1,100
DURABLE GOODS	39,200	39,400	39,000	- 200	200
NONDURABLE GOODS	27,200	27,800	26,300	- 600	900
RETAIL TRADE	195,900	192,600	191,800	3,300	4,100
GENERAL MERCHANDISE	25,400	25,100	24,200	300	1,200
FOOD STORES	30,800	30,200	29,000	600	1,800
AUTO DEALERS & SERVICE STATIONS	24,400	24,200	24,600	200	- 200
OTHER RETAIL TRADE	115,300	113,100	114,000	2,200	1,300
FINANCE, INSURANCE, & REAL ESTATE	67,900	67,400	66,800	500	1,100
BANKING & CREDIT AGENCIES	23,700	23,500	23,400	200	300
OTHER FINANCE, INSURANCE, & REAL ESTATE	44,200	43,900	43,400	300	800
SERVICES	226,600	223,800	214,700	2,800	11,900
HOTELS & PERSONAL SERVICES	25,400	24,800	24,700	600	700
HEALTH SERVICES	72,100	71,900	68,900	200	3,200
OTHER SERVICES	129,100	127,100	121,100	2,000	8,000
GOVERNMENT	206,700	204,700	203,600	2,000	3,100
FEDERAL GOVERNMENT	28,600	28,200	28,900	400	- 300
STATE GOVERNMENT	55,800	55,800	55,000	0	800
EDUCATION	24,300	24,300	23,600	0	700
OTHER STATE	31,500	31,500	31,400	0	100
LOCAL GOVERNMENT	122,300	120,700	119,700	1,600	2,600
EDUCATION	78,700	77,800	77,900	900	800
OTHER LOCAL	43,600	42,900	41,800	700	1,800
LABOR-MANAGEMENT DISPUTES	0	0	0	0	0

1/ PRELIMINARY

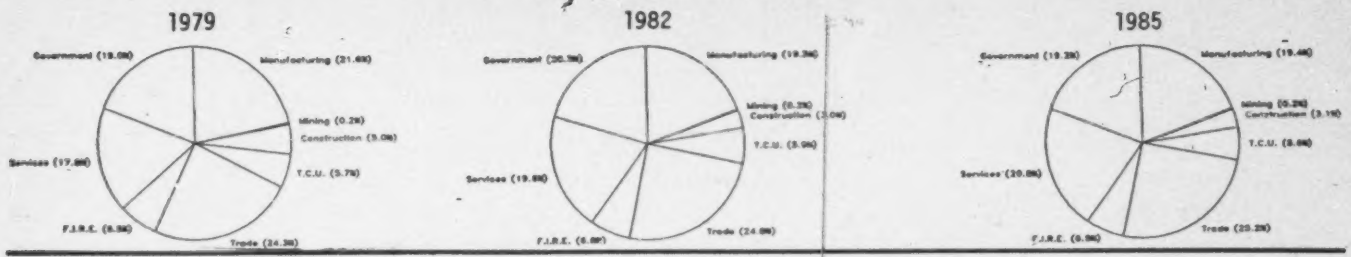
2/ REVISED

3/ INCLUDES FULL AND PART-TIME NONFARM WAGE AND SALARY WORKERS IN PAY PERIODS INCLUDING THE 12TH OF THE MONTH. PROPRIETORS, SELF-EMPLOYED, PRIVATE HOUSEHOLD WORKERS AND ARMED FORCES EXCLUDED. NOTE: ESTIMATED IN COOPERATION WITH THE U.S. BUREAU OF LABOR STATISTICS AND EMPLOYMENT AND TRAINING ADMINISTRATION. ALL DATA ARE BASED ON THE 1972 STANDARD INDUSTRIAL CLASSIFICATION (SIC) CODES AS AMENDED BY THE 1977 SUPPLEMENT.

4/ TOTAL NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT, SEASONALLY ADJUSTED, AND INDEXED TO 1977. DATA ON THE EARLIER INDEX (1972 = 100) CAN BE CONVERTED TO THE 1977 BASE PERIOD BY MULTIPLYING BY A FACTOR OF .8264, THE RATIO BETWEEN 1972'S ANNUAL AVERAGE EMPLOYMENT (774,300) AND THAT OF 1977 (936,900).

5/ THE DIFFUSION INDEX IS THE PERCENTAGE OF A SELECTED GROUP OF 43 INDUSTRIES SHOWING AN INCREASE IN SEASONALLY ADJUSTED EMPLOYMENT. HALF OF THOSE INDUSTRIES SHOWING NO SIGNIFICANT CHANGE (LESS THAN 1/2 OF 1%) ARE COUNTED AS INCREASING.

OREGON EMPLOYMENT DIVERSIFICATION



Each chart separates total nonagricultural wage & salary employment into its major component industries. One pie is offered for 1979, the pre-recession peak year; one for 1982, during the sting of the recession; and one for 1985, the most current year for which annual averages are available and a year much like 1986. It is important to note that even though each pie's industries add up to 100 percent (or 99.9% when rounding isn't perfect), the size of the pies would all be different. Therefore, a 20 percent slice of the 1979 pie represents more workers than a 20 percent slice of the 1982 pie.

The pies reinforce the concern described earlier. The industrial composition of the Oregon economy is changing even though we are experiencing a slow recovery. Between 1979 and 1982, manufacturing employment dropped from 21.6 percent to 19.3 percent of total wage & salary employment. Similarly, construction fell from 5 percent to 3 percent. All of the service-producing industries from transportation, communications, and utilities to government each increased its share during that period. Between 1982 and 1985, both construction and manufacturing were able to recapture a tiny share of the wage & salary pie, but the interesting part of the story is that services (as opposed to service-producing) increased its share from 1979 to 1982, and it continued to increase between 1982 and 1985.

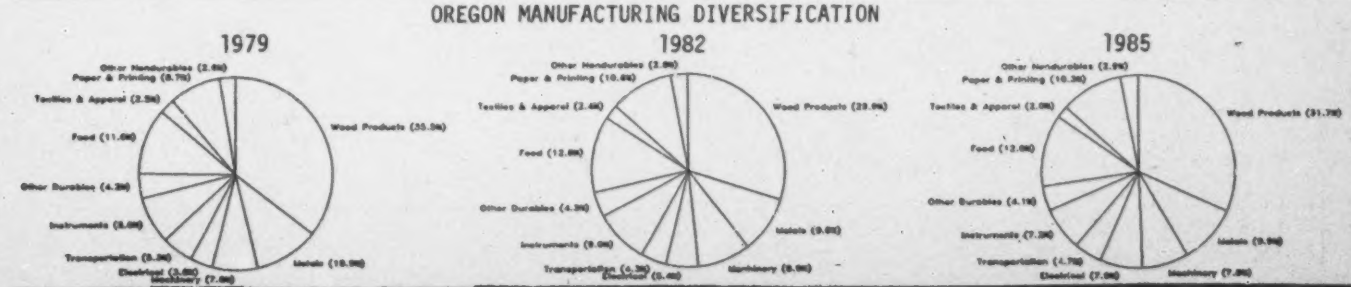
Economists disagree as to the impact of this shift. The point of this analysis is not to conclude that one industrial mix is better than another; rather, it is to document that a shift has taken, and is taking, place. Indeed, some would argue that certain nonmanufacturing industries can constitute part of an economic base. Consider, for instance, certain settings in central Oregon or along the coast, where tourism would have to be regarded as part of the economic base, or consider the Salem area, which can count government as part of its economic base.

Most analysts do agree that nonmanufacturing employment will continue to grow faster than its manufacturing counterpart. No one, however, wants or expects to see manufacturing simply dry up. Three more pie charts provide a close-up of the structure of Oregon's manufacturing sector for 1979, 1982, and 1985. One reason often mentioned when explaining why Oregon suffered a longer and deeper recession than most other states (or why the rest of Oregon fared worse than Portland) is that the manufacturing base relied too heavily on too few industries. Our economy was heavily tied to swings in the housing cycle because of our reliance on lumber & wood products, for example. But when housing is up, that is not a bad circumstance. Similarly, states like Alaska and Texas have recently been hurt by the drop in oil prices because of their reliance on oil extraction and petroleum refining, but they boomed when oil prices were up. If a state wanted to avoid the big ups and downs due to the business cycle, diversification was touted as the answer.

So how does Oregon's current manufacturing diversity compare with its diversity during 1979 and 1982? Judging from the three pie charts, 1985 looks much more similar to 1982 than to 1979, and 1986 has been quite similar to 1985. Once again, our intention is not to claim that one distribution is better than another. Take, for example, an extreme hypothetical situation where one-half of all wood products jobs in Oregon were lost. Manufacturing employment would then look remarkably balanced among its sectors -- but the economy would be terribly worse off because of it! The point, then, is to show that although the composition of overall wage & salary employment has changed over the past several years, the composition of manufacturing employment has not changed much since the recession.

The 1985 trends in diversification (or lack of diversification) have continued into 1986 with only a few exceptions.

OREGON MANUFACTURING DIVERSIFICATION



State of Oregon
EMPLOYMENT DIVISION
Department of Human Resources

Research and Statistics
March 1985 Benchmark
March 1986 (Rev.)

OREGON RESIDENT LABOR FORCE, UNEMPLOYMENT & EMPLOYMENT 1984 1/

	Annual 2/ Average	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
CIVILIAN LABOR FORCE	1,335.0	1,318.4	1,314.8	1,318.6	1,330.5	1,334.1	1,353.4	1,354.7	1,342.2	1,342.9	1,340.8	1,340.2	1,329.5
UNEMPLOYMENT	125.0	151.0	138.2	133.1	133.1	126.8	123.6	118.8	110.5	102.3	110.5	123.3	128.9
Percent of Labor Force	9.4	11.5	10.5	10.1	10.0	9.5	9.1	8.8	8.2	7.6	8.2	9.2	9.7
Seasonally Adjusted Percent	9.4	9.9	9.3	9.2	9.5	9.4	9.6	9.3	9.3	9.0	9.4	9.3	9.2
TOTAL EMPLOYMENT	1,210.0	1,167.4	1,176.6	1,185.5	1,197.4	1,207.3	1,229.8	1,235.9	1,231.7	1,240.6	1,230.3	1,216.9	1,200.6

OREGON NONAGRICULTURAL WAGE & SALARY EMPLOYMENT 1984 3/ **

TOTAL WAGE AND SALARY	1006.9	965.4	973.9	984.1	993.2	1003.6	1015.8	1009.9	1020.3	1033.6	1033.1	1029.5	1020.5
Wage & Salary Empl. Index (1977=100) 4/	107.5	105.4	106.2	106.6	106.9	107.0	106.7	108.0	108.4	108.4	108.4	108.7	108.8
Diffusion Index 5/	58.7	58.1	62.4	65.9	66.7	57.7	56.2	58.9	62.4	58.5	53.1	51.2	52.7
MANUFACTURING, TOTAL	201.1	188.1	192.2	192.5	194.9	197.2	200.3	209.5	215.5	214.0	209.2	202.0	198.1
Durable Goods	146.7	137.7	141.1	141.6	144.6	145.7	148.1	151.8	153.2	152.4	150.3	147.4	146.0
Lumber & Wood Products	66.7	62.8	64.4	64.3	65.1	65.9	67.9	69.9	70.2	70.0	68.3	66.3	64.7
Logging & Sawmills	35.4	33.0	33.7	33.7	33.7	34.7	36.4	38.1	38.2	37.9	36.7	35.0	33.7
Veneer & Plywood	17.6	17.1	17.7	17.5	17.9	17.5	17.5	17.6	17.7	18.0	17.6	17.4	17.3
Millwork & Structural Wood	8.2	7.9	7.9	7.9	8.0	8.1	8.2	8.4	8.5	8.5	8.4	8.4	8.3
Mobile Homes	1.7	1.4	1.6	1.6	1.7	1.8	1.8	1.8	1.8	1.6	1.6	1.6	1.5
Other Wood Products	3.8	3.4	3.5	3.6	3.8	3.8	4.0	4.0	4.0	4.0	4.0	3.9	3.9
Furniture & Fixtures	2.7	2.5	2.5	2.6	2.7	2.7	2.6	2.7	2.7	2.7	2.7	2.7	2.7
Stone, Clay, Glass & Concrete Prod.	2.7	2.4	2.4	2.4	2.6	2.7	2.8	2.9	3.0	3.1	3.0	2.9	2.7
Primary Metals	9.1	8.7	8.8	8.9	9.1	9.1	9.4	9.2	9.1	9.1	9.1	9.0	9.1
Blast Furnaces, Iron & Steel Found.	5.1	4.6	4.7	4.8	4.9	5.0	5.2	5.2	5.3	5.4	5.5	5.4	5.4
Nonferrous Metals	3.9	4.1	4.1	4.1	4.2	4.1	4.2	4.0	3.8	3.7	3.6	3.6	3.7
Fabricated Metals	10.4	9.6	9.9	10.1	10.1	10.2	10.2	10.4	10.8	10.9	10.9	10.9	10.7
Fabricated Structural Metals	4.7	4.2	4.4	4.5	4.4	4.5	4.7	4.8	5.2	5.1	5.1	5.0	4.9
Other Fabricated Metals	5.7	5.4	5.5	5.6	5.7	5.7	5.5	5.6	5.6	5.8	5.8	5.9	5.8
Machinery	15.9	14.7	15.1	15.3	15.6	15.8	16.0	16.3	16.2	16.2	16.3	16.4	16.6
Electrical Equipment & Supplies	13.8	12.5	12.6	12.8	13.5	13.7	14.0	14.3	14.5	14.5	14.5	14.7	14.5
Transportation Equipment	8.5	7.8	8.6	8.3	9.0	8.7	8.1	9.0	9.5	8.7	8.5	7.7	8.1
Instruments & Related Products	14.4	14.3	14.4	14.4	14.3	14.3	14.5	14.4	14.4	14.4	14.3	14.2	14.4
Miscellaneous Manufacturing	2.6	2.4	2.4	2.5	2.6	2.6	2.6	2.7	2.8	2.8	2.7	2.6	2.5
Nondurable Goods	54.5	50.4	51.1	50.9	50.3	51.5	52.2	57.7	62.3	61.6	58.9	54.6	52.1
Food & Kindred Products	24.1	20.7	21.1	20.7	20.2	21.1	21.3	26.7	31.4	31.4	28.6	24.3	21.6
Canning and Preserving	13.7	10.7	11.1	11.0	10.2	10.8	10.9	16.1	20.4	20.6	17.8	13.7	11.0
Other Food Products	10.4	10.0	10.0	9.7	10.0	10.3	10.4	10.6	11.0	10.8	10.8	10.6	10.6
Textile Mill Products	1.7	1.8	1.8	1.7	1.7	1.7	1.6	1.7	1.8	1.8	1.7	1.7	1.7
Apparel	2.8	2.6	2.7	2.8	2.8	2.9	2.9	2.9	2.9	2.9	2.8	2.8	2.8
Paper & Allied Products	9.0	9.0	9.0	9.0	9.0	9.0	9.3	9.5	9.2	8.7	8.7	8.8	9.0
Printing & Publishing	11.0	10.6	10.8	10.9	10.7	10.9	11.0	11.0	11.1	11.1	11.3	11.3	11.4
Chemicals & Allied Products	2.0	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.0	2.0	2.0	1.9	1.9
Petroleum Refining	.5	.5	.5	.5	.5	.5	.6	.5	.5	.4	.4	.4	.3
Rubber & Plastic Products	2.8	2.6	2.6	2.7	2.8	2.8	2.9	2.9	2.9	2.8	2.9	2.9	2.9
Leather Products	.5	.5	.5	.5	.5	.5	.5	.4	.5	.5	.5	.5	.5

1984 Cont.

	Annual Average	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
NONMANUFACTURING, TOTAL	805.8	777.3	781.7	791.6	798.3	806.4	815.5	800.4	804.8	819.6	823.9	827.5	822.4
Mining & Quarrying	1.6	1.3	1.3	1.4	1.5	1.7	1.7	1.8	1.9	1.8	1.7	1.7	1.5
Construction	30.2	25.5	25.4	26.2	26.9	28.5	30.4	33.6	35.3	34.8	33.9	31.8	29.9
Trans., Comm. & Utilities	57.1	56.1	56.0	56.5	56.1	56.4	57.0	57.5	57.7	58.4	57.9	57.8	57.5
Transportation	34.3	32.6	32.7	33.1	33.4	33.7	34.0	34.6	35.0	35.7	35.8	35.7	35.4
Railroad	5.4	5.4	5.4	5.5	5.4	5.4	5.4	5.4	5.4	5.4	5.3	5.3	5.1
Trucking & Warehousing	18.3	16.8	17.0	17.2	17.4	17.6	18.1	18.8	19.1	19.3	19.5	19.3	19.4
Other Transportation	10.7	10.4	10.3	10.4	10.6	10.7	10.5	10.4	10.5	11.0	11.0	11.1	10.9
Communications	14.2	15.0	14.9	15.0	14.1	14.1	14.2	14.1	13.9	14.0	13.5	13.5	13.6
Utilities	8.6	8.5	8.4	8.4	8.6	8.6	8.8	8.8	8.8	8.7	8.6	8.6	8.5
Trade	253.0	241.7	240.5	243.7	247.5	250.4	254.4	256.3	258.8	260.7	258.0	260.9	262.7
Wholesale Trade	64.5	61.9	61.9	62.4	63.0	63.3	64.1	65.5	66.4	67.4	67.2	66.0	65.2
Durable Goods	37.9	36.7	36.8	37.1	37.7	37.8	38.1	38.7	38.7	38.4	38.5	38.1	37.8
Nondurable Goods	26.7	25.2	25.1	25.3	25.3	25.5	26.0	26.8	27.7	29.0	28.7	27.9	27.4
Retail Trade	188.4	179.8	178.6	181.3	184.5	187.1	190.3	190.8	192.4	193.3	190.8	194.9	197.5
General Merchandise	25.2	25.7	24.2	24.0	24.0	24.0	24.0	24.6	24.9	25.0	25.4	27.9	29.1
Food Stores	27.9	27.2	26.7	26.8	27.3	27.3	27.9	28.2	28.6	28.7	28.5	28.6	28.8
Auto Dealers & Service Stations	23.9	22.4	22.7	23.0	23.5	24.1	24.6	24.6	24.9	24.6	24.3	24.1	23.8
Other Retail Trade	111.4	104.5	105.0	107.5	109.7	111.7	113.8	113.4	114.0	115.0	112.6	114.3	115.8
Finance, Ins., & Real Estate	65.4	63.8	64.1	64.5	64.8	65.3	66.2	66.6	66.9	66.3	65.6	65.1	65.3
Banking & Credit Agencies	23.4	23.3	23.3	23.5	23.4	23.4	23.6	23.5	23.5	23.4	23.3	23.3	23.4
Other Finance, Ins., & Real Estate	42.0	40.5	40.8	41.0	41.4	41.9	42.6	43.1	43.4	42.9	42.3	41.8	41.9
Services	204.5	195.7	197.8	200.5	203.4	204.4	205.3	206.3	206.6	208.8	208.6	208.4	208.0
Hotels & Personal Services	23.9	22.2	22.4	23.1	23.5	23.9	24.4	25.1	25.3	25.3	24.4	23.4	23.2
Health Services	67.5	65.9	66.2	66.7	67.1	67.1	67.8	67.8	68.1	68.2	68.5	68.4	68.2
Other Services	113.1	107.6	109.2	110.7	112.8	113.4	113.1	113.4	113.2	115.3	115.7	116.6	116.6
Government	194.1	193.2	196.6	198.8	198.1	199.7	200.5	178.3	177.6	188.8	198.2	201.8	197.5
Federal	29.3	27.7	27.7	27.9	28.4	28.9	30.4	30.9	31.2	30.6	29.7	29.3	28.8
State Government	52.3	52.2	53.0	53.3	52.8	53.0	53.5	49.1	48.8	49.6	54.0	55.8	52.7
Education	21.9	22.6	23.3	23.4	22.9	22.9	22.9	18.0	17.7	18.1	23.6	23.9	23.4
Other State	30.4	29.6	29.7	29.9	29.9	30.1	30.6	31.1	31.1	31.5	30.4	31.9	29.3
Local Government	112.5	113.3	115.9	117.6	116.9	117.8	116.6	98.3	97.6	108.6	114.5	116.7	116.0
Education	70.6	72.9	75.2	76.5	75.7	75.6	73.8	54.8	53.8	66.1	73.1	75.3	74.9
Other Local	41.8	40.4	40.7	41.1	41.2	42.2	42.8	43.5	43.8	42.5	41.4	41.4	41.1
LABOR-MANAGEMENT DISPUTES	.8	.9	.9	.9	.9	.6	.6	.2	.7	.9	.9	.9	.6

** Data are in thousands

1/ Includes employed and unemployed individuals 16 years and older by place of residence. Data are adjusted for multiple job-holding and commuting. Includes nonagriculture wage and salary, self-employed, unpaid family workers, domestics, agriculture and labor disputants.

2/ Sum of monthly estimates divided by 12. Unemployment rate derived by dividing unemployment by civilian labor force.

3/ This nonagricultural wage and salary employment series is based on the 1972 Standard Industrial Classification (SIC) manual as amended by the 1977 supplement. The data are by place of work and persons working multiple jobs are counted more than once. Workers involved in labor-management disputes are excluded from the wage and salary employment totals.

4/ Total nonagricultural wage and salary employment, seasonally adjusted and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's annual average employment (774.3) and that of 1977 (936.9).

5/ The diffusion index is the percentage of a selected group of 43 industries showing an increase in seasonally adjusted employment. Half of those industries showing no significant change (less than 1/2 of 1%) are counted as increasing.

State of Oregon
EMPLOYMENT DIVISION
Department of Human Resources

Research and Statistics
March 1985 Benchmark
March 1986 (Rev.)

OREGON RESIDENT LABOR FORCE, UNEMPLOYMENT & EMPLOYMENT 1985 1/

	Annual Average 2/	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
CIVILIAN LABOR FORCE	1,327.0	1,306.9	1,303.6	1,311.6	1,316.4	1,320.7	1,348.9	1,332.4	1,331.5	1,333.2	1,343.0	1,341.6	1,334.3
UNEMPLOYMENT	117.0	134.6	134.8	130.3	126.1	114.1	113.0	114.2	103.7	100.0	99.4	114.8	119.1
Percent of Labor Force	8.8	10.3	10.3	9.9	9.6	8.6	8.4	8.6	7.8	7.5	7.4	8.6	8.9
Seasonally Adjusted Percent	8.8	8.8	9.2	9.1	9.1	8.6	8.8	9.1	8.8	8.9	8.4	8.6	8.4
TOTAL EMPLOYMENT	1,210.0	1,172.3	1,168.8	1,181.3	1,190.3	1,206.6	1,235.9	1,218.2	1,227.8	1,233.2	1,243.6	1,226.8	1,215.2

OREGON NONAGRICULTURAL WAGE & SALARY EMPLOYMENT 1985 3/ **

TOTAL WAGE AND SALARY	1029.0	998.5	998.3	1008.3	1014.3	1028.6	1042.4	1023.8	1034.7	1047.2	1058.5	1050.6	1043.0
Wage & Salary Empl. Index (1977=100) 4/	109.8	109.1	108.9	109.2	109.1	109.6	109.6	109.5	109.9	109.9	111.0	111.0	111.2
Diffusion Index 5/	51.0	50.8	48.5	48.8	50.8	52.7	52.3	48.5	48.5	46.9	56.6	52.3	55.8
MANUFACTURING, TOTAL	199.9	194.1	193.6	192.9	192.3	195.2	201.0	203.2	210.6	208.6	210.1	201.1	196.3
Durable Goods	145.3	143.1	142.9	142.1	142.6	144.1	146.5	146.0	148.2	147.7	149.1	146.9	144.7
Lumber & Wood Products	63.5	62.2	61.9	60.9	60.9	62.7	65.1	65.9	66.2	65.8	64.9	63.6	62.1
Logging & Sawmills	33.2	31.9	31.7	30.8	31.2	32.8	34.8	35.3	35.2	35.1	34.5	33.3	32.0
Veneer & Plywood	16.3	16.9	16.7	16.5	15.9	15.9	16.1	16.3	16.3	16.3	16.3	16.3	16.2
Millwork & Structural Wood	8.8	8.4	8.3	8.3	8.6	8.7	8.9	8.9	9.3	9.1	9.0	8.8	8.8
Mobile Homes	1.5	1.3	1.4	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.6	1.5
Other Wood Products	3.8	3.7	3.8	3.8	3.7	3.8	3.8	3.9	3.9	3.8	3.6	3.6	3.6
Furniture & Fixtures	2.7	2.6	2.6	2.6	2.7	2.7	2.8	2.8	2.7	2.8	2.9	2.9	2.8
Stone, Clay, Glass & Concrete Prod.	3.0	2.7	2.8	2.9	3.0	3.0	3.1	3.3	3.3	3.2	3.1	2.8	2.7
Primary Metals	8.8	8.7	8.8	8.9	8.8	8.9	8.9	8.7	8.7	8.8	8.8	8.9	8.8
Blast Furnaces, Iron & Steel Found.	5.5	5.4	5.5	5.5	5.5	5.5	5.5	5.4	5.5	5.6	5.6	5.7	5.7
Nonferrous Metals	3.3	3.3	3.3	3.4	3.3	3.4	3.4	3.3	3.2	3.2	3.2	3.2	3.1
Fabricated Metals	11.1	10.3	10.3	10.4	10.6	10.7	10.8	10.9	11.4	11.8	11.9	12.1	12.0
Fabricated Structural Metals	5.4	4.6	4.8	4.8	5.0	5.1	5.2	5.2	5.6	5.9	6.0	6.2	6.3
Other Fabricated Metals	5.7	5.7	5.5	5.6	5.6	5.6	5.6	5.7	5.8	5.9	5.9	5.9	5.7
Machinery	15.7	16.0	15.9	15.9	15.6	15.6	15.7	15.7	15.6	15.6	15.5	15.4	15.4
Electrical Equipment & Supplies	14.1	14.5	14.4	14.4	14.1	14.2	14.2	14.2	14.1	13.9	13.8	13.6	13.6
Transportation Equipment	9.4	9.2	9.1	8.8	9.7	9.3	8.7	7.3	9.1	8.8	11.3	10.9	10.5
Instruments & Related Products	14.5	14.6	14.7	14.8	14.7	14.6	14.7	14.6	14.6	14.5	14.3	14.2	14.2
Miscellaneous Manufacturing	2.5	2.3	2.4	2.5	2.5	2.4	2.5	2.6	2.5	2.5	2.6	2.5	2.6
Nondurable Goods	54.6	51.0	50.7	50.8	49.7	51.1	54.5	57.2	62.4	60.9	61.0	54.2	51.6
Food & Kindred Products	24.1	20.4	20.4	20.5	19.9	20.6	23.5	26.4	31.4	30.0	30.3	24.0	21.2
Canning and Preserving	13.5	10.2	10.2	10.3	9.6	10.1	12.9	15.5	20.6	19.4	19.5	13.3	10.7
Other Food Products	10.5	10.2	10.2	10.2	10.3	10.5	10.6	10.9	10.8	10.6	10.8	10.7	10.5
Textile Mill Products	1.7	1.7	1.7	1.7	1.7	1.7	1.6	1.6	1.6	1.6	1.6	1.6	1.7
Apparel	2.4	2.7	2.6	2.6	2.4	2.4	2.4	2.3	2.4	2.4	2.4	2.2	2.3
Paper & Allied Products	9.2	8.9	8.7	8.8	8.7	9.3	9.5	9.5	9.5	9.5	9.2	9.1	9.1
Printing & Publishing	11.5	11.4	11.4	11.3	11.3	11.4	11.5	11.4	11.6	11.5	11.6	11.6	11.6
Chemicals & Allied Products	1.9	2.0	2.1	2.1	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9
Petroleum Refining	0.4	0.4	0.4	0.4	0.4	0.3	0.4	0.4	0.4	0.4	0.4	0.3	0.3
Rubber & Plastic Products	3.1	3.0	3.0	3.0	2.9	3.0	3.3	3.2	3.1	3.1	3.1	3.0	3.0
Leather Products	0.5	0.5	0.4	0.4	0.5	0.5	0.4	0.5	0.5	0.5	0.5	0.5	0.5

1985 Cont.

	Annual Average	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
NONMANUFACTURING, TOTAL	829.1	804.4	804.7	815.4	822.0	833.4	841.4	820.6	824.1	838.6	848.4	849.5	846.7
Mining & Quarrying	1.6	1.4	1.4	1.4	1.5	1.6	1.7	1.8	1.9	1.9	1.8	1.7	1.5
Construction	32.1	28.2	27.5	28.7	30.4	32.2	34.2	35.4	36.0	35.2	35.2	31.7	31.0
Trans., Comm. & Utilities	58.0	56.5	56.3	56.7	57.0	57.4	58.2	58.5	58.7	59.3	59.6	58.8	59.4
Transportation	36.1	34.4	34.5	35.0	35.2	35.5	36.1	36.3	36.5	37.2	37.7	37.0	37.6
Railroad	5.1	5.1	5.1	5.2	5.2	5.2	5.1	5.1	5.1	5.0	5.0	4.8	4.7
Trucking & Warehousing	20.0	18.6	18.7	19.0	18.9	19.2	19.9	20.3	20.6	20.8	21.3	21.0	21.7
Other Transportation	11.0	10.7	10.7	10.8	11.1	11.1	11.1	10.9	10.8	11.4	11.4	11.2	11.2
Communications	13.3	13.5	13.3	13.2	13.2	13.3	13.3	13.4	13.4	13.4	13.3	13.2	13.2
Utilities	8.6	8.6	8.5	8.5	8.6	8.6	8.8	8.8	8.8	8.7	8.6	8.6	8.6
Trade	258.8	251.3	247.0	251.0	252.4	257.1	260.4	260.7	263.4	264.9	263.2	266.5	267.4
Wholesale Trade	66.4	65.0	64.7	65.0	64.6	65.3	65.9	66.7	67.3	68.2	68.1	68.3	67.7
Durable Goods	39.0	38.2	38.1	38.1	38.5	39.0	39.3	39.6	39.5	39.6	39.4	39.6	39.6
Nondurable Goods	27.4	26.8	26.6	26.9	26.1	26.3	26.6	27.1	27.8	28.6	28.7	28.7	28.1
Retail Trade	192.4	186.3	182.3	186.0	187.8	191.8	194.5	194.0	196.1	196.7	195.1	198.2	199.7
General Merchandise	25.3	25.9	24.2	24.2	23.9	24.2	24.3	24.5	24.8	25.0	25.6	27.8	29.0
Food Stores	29.1	28.1	27.4	28.8	28.4	29.0	29.7	29.9	29.9	29.7	29.4	29.4	29.5
Auto Dealers & Service Stations	24.4	23.5	23.3	23.8	24.2	24.6	24.9	25.2	25.3	25.0	24.6	24.3	23.9
Other Retail Trade	113.6	108.8	107.4	109.2	111.3	114.0	115.6	114.4	116.1	117.0	115.5	116.7	117.3
Finance, Ins., & Real Estate	66.9	64.5	64.5	65.0	66.1	66.8	67.8	68.4	68.6	67.8	67.6	67.5	67.6
Banking & Credit Agencies	23.6	23.4	23.3	23.3	23.3	23.4	23.5	23.7	23.8	23.9	23.8	23.9	23.9
Other Finance, Ins., & Real Estate	43.3	41.1	41.2	41.7	42.8	43.4	44.3	44.7	44.8	43.9	43.8	43.6	43.7
Services	214.5	206.1	207.8	211.3	212.9	214.7	214.9	215.9	216.3	219.0	218.7	218.8	218.0
Hotels & Personal Services	24.4	23.5	23.7	24.6	24.3	24.7	25.2	25.4	25.4	24.9	24.1	23.5	23.1
Health Services	69.3	67.5	67.4	68.1	68.3	68.9	69.3	69.9	70.4	70.3	70.2	70.4	70.8
Other Services	120.9	115.1	116.7	118.6	120.3	121.1	120.4	120.6	120.5	123.8	124.4	124.9	124.1
Government	197.1	196.4	200.2	201.3	201.7	203.6	204.2	179.9	179.2	190.5	202.3	204.5	201.8
Federal	28.9	28.1	28.0	28.0	28.7	28.9	29.8	30.2	29.9	29.4	28.9	28.6	28.5
State Government	53.7	52.8	54.3	54.9	54.7	55.0	55.8	51.3	50.5	50.5	55.1	55.3	54.5
Education	22.4	22.4	23.7	23.8	23.6	23.6	23.8	19.0	18.2	18.2	23.7	24.3	24.1
Other State	31.4	30.4	30.6	31.1	31.1	31.4	32.0	32.3	32.3	32.3	31.4	31.0	30.4
Local Government	114.5	115.5	117.9	118.4	118.3	119.7	118.6	98.4	98.8	110.6	118.3	120.6	118.8
Education	72.3	74.8	77.0	77.3	77.0	77.9	75.8	55.0	55.2	67.5	75.5	78.0	76.4
Other Local	42.2	40.7	40.9	41.1	41.3	41.8	42.8	43.4	43.6	43.1	42.8	42.6	42.4
LABOR-MANAGEMENT DISPUTES	0.3	0.6	0.6	0.6	0.8	0.0	0.0	0.0	0.2	0.1	0.1	0.0	0.0

** Data are in thousands

1/ Includes employed and unemployed individuals 16 years and older by place of residence. Data are adjusted for multiple job-holding and commuting. Includes nonagriculture wage and salary, self-employed, unpaid family workers, domestics, agriculture and labor disputants.

2/ Sum of monthly estimates divided by 12. Unemployment rate derived by dividing unemployment by civilian labor force.

3/ This nonagricultural wage and salary employment series is based on the 1972 Standard Industrial Classification (SIC) manual as amended by the 1977 supplement. The data are by place of work and persons working multiple jobs are counted more than once. Workers involved in labor-management disputes are excluded from the wage and salary employment totals.

4/ Total nonagricultural wage and salary employment, seasonally adjusted and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's annual average employment (774.3) and that of 1977 (936.9).

5/ The diffusion index is the percentage of a selected group of 43 industries showing an increase in seasonally adjusted employment. Half of those industries showing no significant change (less than 1/2 of 1%) are counted as increasing.

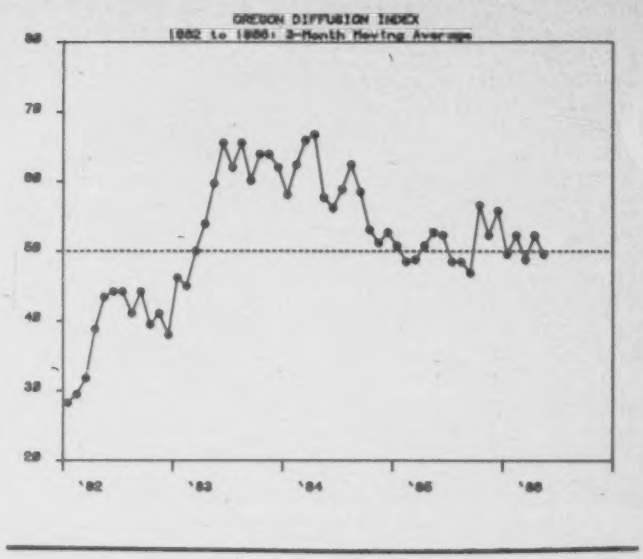
1) In early 1985, lumber & wood products suffered through a series of plant closings. This year, some of those plants have reopened and others have increased production. Even so, at the time of this writing, possibilities of long labor disputes threaten to disrupt the increases.

2) High tech employment began to decline in 1985, and 1986 may prove to be even more troublesome.

3) Transportation equipment manufacturing, spurred on by shipbuilding & repair work, likely will have a better year in 1986.

4) Lower interest rates and the increased housing affordability they furnish should lead to a better year in construction.

The overall theme for 1986, so far, has been one of not much change. Lower interest rates, low inflation, improved prospects for tourism, and favorable trends in foreign exchange rates have set the stage for a better year, but problems in agriculture, persistent unemployment, and a foggy outlook in manufacturing may continue to prevent the economy from taking off. □



LABOR TURNOVER BY INDUSTRY

Tom Lynch

A new economic data series has been introduced by the Employment Division to measure quarterly labor turnover in all private nonagricultural industries in Oregon. Originally developed by the U.S. Department of Labor and selected pilot states in the late 1970s, the new economic series promises important insights into labor turnover in Oregon's various industries.

The new economic time series are based upon tax record data collected from employers covered by the unemployment insurance laws in Oregon. This information is available for almost 90 percent of the total number of employed individuals in Oregon. It does not include turnover measures for agricultural production workers, self-employed individuals, unpaid family workers and domestics, or Federal government workers employed in Oregon.

Several important aspects of the state's economy are reflected in the labor turnover data generated by the new system. Quarterly economic statistics are available on accessions, separations, new hires, and rehires by firm and by industry. These various turnover measures are derived from comparing the wage (employe) records for a given employer from one quarter (13 weeks) against the wage records reported by the same employer in previous quarters. With this technique, the following definitions are used to define the various labor turnover indicators.

1. Accession - Individual worked for an employer in the current quarter, did not work for that employer in the preceding quarter, but did work in earlier quarters.

2. Separation - Individual worked in a given quarter for an employer, but did not work for that employer in the following quarter.

3. New Hire - Individual worked for an employer in a given quarter, but did not work for that employer in any of the previous quarters.

4. Rehire - Individual appeared on the employer's payroll in any of the first three of the last four quarters and reappeared in the current quarter.

These definitions were established by the U.S. Department of Labor and certain states in the initial projects conducted in the late 1970s.

The introduction of these new economic indicators raises many questions about their potential uses in analyzing Oregon's economy. Preliminary results for the state point out that labor turnover:

- In all private sector industries is much greater than previously suspected from other available data sources.
- Data is now available for major nonmanufacturing sectors not previously available from other data sources.
- Varies quite dramatically from one major industrial division to another (i.e., manufacturing versus trade) on a quarterly and annual basis.
- Can be used in conjunction with other economic indicators to better understand the state and local labor markets.

The rest of this article explores the use of one component of the new labor turnover data to track movements in the state's economy. The accompanying table reflects the new hiring rate by major industry group for the state between the first quarter of 1984 and the third quarter of 1985. Data for the last quarter of 1985 and the first two quarters of 1986 are not yet available

due to the lagged nature of the unemployment insurance tax collection process. Procedures are currently being developed which will provide more current estimates using a short term projection technique.

These quarterly new hire rates reflect a mixture of seasonal and cyclical economic forces affecting each of the industries in the table during 1984 and 1985. The hiring patterns show the dominant impact of seasonal hiring that occurs in major industrial sectors from quarter to quarter. Significant increases in the total nonfarm new hire rate occurred from the first to the third quarter (19.5% to 26.1%), and the same pattern is again evident from the first to the third quarter of 1985 (18.8% to 25.5%). In fact, the consistency of the new hire rate for the same quarter one year apart is almost identical for the first three quarters of 1984 and 1985. The only difference between the two years is that the quarterly new hire rates are slightly lower in 1985 than they were in 1984.

OREGON NEW HIRE RATES BY INDUSTRY 1/

	1984				1985		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Total	19.5	22.1	26.1	21.0	18.8	21.8	25.5
Manufacturing	14.1	16.5	20.8	13.5	12.8	16.5	19.0
Durable	14.7	16.2	17.3	12.4	12.7	15.8	15.6
Nondurable	12.4	17.2	29.5	16.6	13.0	18.6	27.2
Nonmanufacturing	19.2	21.9	25.7	20.1	19.2	21.7	24.5
Construction	36.0	42.9	53.7	36.8	35.7	45.2	47.7
Trans, Comm & Util	14.5	14.8	16.4	14.4	14.5	12.6	15.0
Trade	24.7	28.8	30.9	28.7	24.7	28.9	29.8
Wholesale	17.1	18.7	20.5	16.1	17.0	16.9	19.0
Retail	27.4	32.2	34.6	33.1	27.4	33.0	33.5
Fin, Ins & Real Est	13.9	14.8	15.3	12.5	13.9	14.2	15.4
Services	19.1	21.0	26.5	20.7	19.6	20.4	27.5
Government 2/	6.8	9.3	11.1	7.3	6.8	9.0	11.5

1/ Number of New Hires per 100 employes
2/ Excludes Federal Government

By industrial division, the new hire rates vary quite substantially with the construction, trade, and service sectors having the highest rates. These high rates are very indicative of the seasonality and high labor turnover that occurs throughout the year in certain industries within these major divisions. Some of these industries would include retail trade, residential construction, and the hotel-motel sector. Although retail trade is the only one listed in the table, the new hire rates averaged over 30 percent for these three industries during the quarters of 1984 and 1985. The other three major private nonfarm industry groups (manufacturing; transportation, communication, & public utilities; and finance, insurance, & real estate) averaged around 15 percent during the seven quarter period for their new hiring activity. Government, with an average quarterly new hire rate of about 8.8 percent, had the lowest rate of all major industry groups over the same period. However, within each of these major industry divisions there are high, medium, and low labor turnover industries. If more specific industry detail was available in the table it would be possible to classify them into such groupings.

A comment was made previously about new hire rates being a reflection of both seasonal and cyclical economic forces. The seasonal trends are very well documented by data contained in the table. It is much more difficult due to lack of historical data to identify economic trends brought about by business cycle conditions. If data were available from 1979, it would be possible to identify the significant slowdown in hiring activity which occurred during the last recession.

New hiring is usually one of the first activities an employer reduces when the economy starts to sour, and one of the last to be increased when business conditions improve. A good example of this is the new hire rate trend in Oregon's high tech industries between 1984 and the third quarter of 1985. The rate in these industries declined from a quarterly average of 11.4 in 1984 to 7.9 during the first three quarters of 1985. Since new hire rates are considered a leading economic indicator in business downturns, this sustained drop in the new hire rate in the high tech industry group was probably a precursor of the layoffs that are now occurring in these industries.

This is just one example of the potential for these new economic indicators to be used to better analyze the impact of economic events in the State's economy. There are a host of other uses for this new valuable economic data series. Without the persistence of the U.S. Department of Labor and the selected pilot states in the 1970s, this data would not be available today. It will add a key component in gaining a better understanding of Oregon's economy.□

OREGON GETS JOBS GRANT

Last month the U.S. Department of Labor announced the awarding of a $2 million grant of Job Training Partnership Act (JTPA) national discretionary funds to Oregon to retrain dislocated workers from the lumber and wood products industry. Eligible workers are those who have lost their jobs due to plant closure or permanent layoffs, and who have little or no opportunities for obtaining work in similar occupations.

Specific services offered to the workers will depend on local needs and resources. These services may include assessment of worker skills and interests, job search activities, support services (such as transportation and child care), classroom training, basic skills training, and on-the-job training.

This grant is a welcome addition to Oregon's resources since a national reduction has cut the State's funds to retrain dislocated workers by more than 50 percent - from almost $2.5 million to around $1.17 million - for the year beginning July 1, 1986. The $2 million grant is in addition to a $500,000 "rapid response" fund (containing JTPA State administrative and formula monies) also available to serve dislocated workers. Criteria for utilizing both of these funds will be considered by the State Job Training Coordinating Council.

The JTPA programs are administered by the Job Training Partnership Administration of the State's Intergovernmental Relations Division. The Employment Division's Research & Statistics Section provided economic data and other information needed to obtain the grant. For further information contact Ray Worden, 373-1995.□

HOURS & EARNINGS

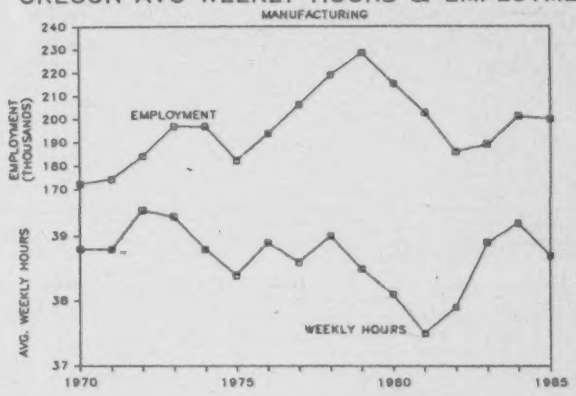
Art Ayre

Economists have long noted the connection between demand for a service and employment in that service. And, while price (or in this case, hourly wage) is the normal measure of demand, another gauge is the average number of hours worked per week. This measure is especially reliable in the manufacturing sector, where retail trade's strong trend toward part-time employment has not been duplicated.

As production gears up to meet growing product demand, manufacturing employees will tend to work more hours per week. If demand remains strong, additional employees will probably be added. The reverse process also tends to occur. Periods of declining product demand will initially cause shorter workweeks, followed by employment reductions. Thus, in a narrow sense, average weekly hours can help us anticipate changes in employment, at least in the manufacturing sector as a whole.

The accompanying graph traces Oregon's employment and average weekly hours in the manufacturing sector. The observer will note a rough positive correlation between the fluctuations of the two lines. In some cases, there is a one year delay between the change in average workweek and the change in employment. Despite the gloomy appearance of the 1985 downturn in average workweek, this gauge of demand for manufacturing labor recovered somewhat in late 1985 and early 1986, reducing the temptation to forecast a modest decline in manufacturing employment for 1986.□

OREGON AVG WEEKLY HOURS & EMPLOYMENT



AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS 1/

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Apr. 2/ 1986	Mar. 3/ 1986	Apr. 1985	Apr. 2/ 1986	Mar. 3/ 1986	Apr. 1985	Apr. 2/ 1986	Mar. 3/ 1986	Apr. 1985
TOTAL MANUFACTURING 4/	$422.65	$417.48	$402.15	39.5	39.2	38.3	$10.70	$10.65	$10.50
Durable Goods	430.67	426.26	410.78	40.1	39.8	38.9	10.74	10.71	10.56
Lumber & Wood Products	450.96	448.94	432.38	40.7	40.3	39.2	11.08	11.14	11.03
Logging & Sawmills	483.11	476.41	462.56	40.7	39.9	39.3	11.87	11.94	11.77
Veneer & Plywood	455.70	464.15	434.19	42.0	42.7	39.4	10.85	10.87	11.02
Millwork & Struct Wood	349.84	348.42	334.46	39.8	38.8	38.4	8.79	8.98	8.71
Mobile Homes	270.82	284.00	303.58	31.2	33.1	35.8	8.68	8.58	8.48
Other Wood Products	444.31	438.90	429.71	40.8	39.9	40.5	10.89	11.00	10.61
Furniture & Fixtures	295.50	306.46	267.88	39.4	39.8	34.7	7.50	7.70	7.72
Primary Metals	470.82	474.61	499.93	39.9	40.6	41.8	11.80	11.69	11.96
Fabricated Metals	403.37	403.85	386.31	39.2	39.4	39.1	10.29	10.25	9.88
Machinery	413.04	419.54	396.62	39.3	39.1	38.1	10.51	10.73	10.41
Nondurable Goods	396.07	395.10	375.28	37.4	37.7	36.4	10.59	10.48	10.31
Food & Kindred Products	330.43	325.23	318.29	35.8	35.7	34.9	9.23	9.11	9.12
Canning & Preserving	259.07	262.14	260.37	33.3	34.0	33.0	7.78	7.71	7.89
Other Food Products	414.77	409.26	392.40	38.8	38.0	37.3	10.69	10.77	10.52
Textile Mill Products	221.44	242.79	239.51	33.5	38.6	39.2	6.61	6.29	6.11
Apparel	214.02	215.42	205.28	36.9	37.4	35.7	5.80	5.76	5.75
Paper & Allied Products	623.22	608.94	587.11	41.3	41.2	40.8	15.09	14.78	14.39
Printing & Publishing	391.31	417.38	372.08	35.9	37.1	33.4	10.90	11.25	11.14
Construction 4/	448.21	450.58	485.76	33.7	33.5	35.2	13.30	13.45	13.80
Communications & Utilities 5/	504.70	507.50	484.79	41.2	40.6	39.9	12.25	12.50	12.15
Trade 5/	282.07	288.49	288.10	33.7	34.1	33.5	8.37	8.46	8.60
Wholesale Trade	378.88	387.25	390.53	37.0	37.2	38.1	10.24	10.41	10.25
Retail Trade	234.65	239.94	239.13	32.1	32.6	31.3	7.31	7.36	7.64
Banking & Insurance	304.48	308.21	283.51						
State & Local Government	340.86	336.40	320.82						

1/ Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.
2/ Preliminary
3/ Revised
4/ Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.
5/ Data for nonsupervisory employes only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

EMPLOYER'S CORNER

Dorothy Monnier

"When resources of capital, people, and time are as scarce as they are today, it is vital to concentrate them on key functional or operating areas. These operating areas are decisive for the success of your particular business. Merely allocating resources in the same way as your competitors will yield no competitive edge. If you can identify the areas which really hold the key to success in your industry and apply the right mix of resources to them, you may be able to put yourself into a position of real competitive superiority." (Dr. Kennicki Ohmae - The Mind of a Strategist)

The Oregon State Employment Division and the Portland Job Service Employer Committee (JSEC) have identified one of these KEY areas for success. This successful program is the Professional Placement Service currently provided by the State Employment Division.

WHY A PROFESSIONAL PLACEMENT SERVICE?

- Employer taxes pay for the administration of the Employment Division and it should meet their needs.
- To reduce time spent by employers in screening resumes and interviewing.
- To better coordinate with college placement services.
- To provide a TOTAL labor exchange to all job applicants and employers regardless of occupation.

The Employment Division is also concerned about professional employees who must be terminated when businesses experience hard economic times.

One function of the PPS is to provide Outplacement Assistance. Outplacement Assistance is a process by which terminated employees are assisted in finding new employment, or as a last resort, filing for unemployment insurance.

The Outplacement process provides the following assistance:

- resume and cover letter workshops are scheduled.
- information is provided on local and regional employers.
- training on how to interview, create new jobs, and find the right employer.
- up-to-date information on local and statewide job markets is provided.
- career planning and tips on how to accurately assess the business world.
- referral to other agencies, interviews, or career counseling.
- exploration of job skills if career change is necessary.

If you are interested in hiring job applicants in professional, managerial, or technical positions, call the nearest Oregon State Employment Division Office. □

OREGON LABOR TRENDS

The Oregon Labor Trends is published monthly by the Research and Statistics Section of the Oregon Employment Division, Raymond P. Thorne, Administrator.

Send comments, questions, and address changes ATTN: Jeff Hannum, R&S-LMI or Phone (503) 378-2736 or toll free 1-800-237-3710 ext. 8-8657.

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